January 18, 2019 Comments sent via: cwpcm@water.ca.gov

Mr. Paul Massera
Manager, Strategic Water Planning Branch
California Water Plan Update 2018
Statewide Integrated Water Management
California Department of Water Resources
Attn: Francisco Guzman
P.O. Box 942836
Sacramento, CA 94236-0001


Dear Mr. Massera:

The Association of California Water Agencies (ACWA) and the California Municipal Utilities Association (CMUA) appreciate the opportunity to provide comments on the California Water Plan Update 2018, Public Review Draft, released on December 21, 2018 (Update 2018). ACWA represents over 450 public water agencies responsible for delivery of over 90% of the water used for residential, commercial and agricultural purposes in California. CMUA represents 42 water agencies that deliver water to over 70% of Californians. Public water agency leaders, and increasingly California’s water users themselves, recognize and support the need to manage our water resources in a sustainable manner. ACWA and CMUA acknowledge the need for continued investment in our water resources planning, infrastructure and sound management. We also recognize and appreciate the on-going work of our member agencies, other water suppliers, and other local, state and federal agencies that are responsibly and effectively managing California’s water resources for both current and future needs.

We support the continued role of the California Water Plan in framing current water management challenges and policy alternatives. We particularly appreciate being asked to represent the interests of public water agencies as a member of the Department of Water Resources (DWR) Policy Advisory Committee (PAC) for Update 2018. We offer these written comments to supplement oral comments that ACWA and CMUA representatives have offered during previous meetings and workshops.

General Comments

As suggested in the Review’s Guide, the following comments will focus generally on the primary messages of Update 2018, completeness, accuracy, and organization of the Plan information.
Primary Messages:

Strengthen Alignment to the California Water Action Plan in Update 2018

Released by former Governor Jerry Brown in 2014, the California Water Action Plan (Action Plan) serves as broadly-accepted, statewide policy direction for water resource management in California. The Action Plan allowed the water community to set goals and measure success through implementation updates on Action Plan progress. Update 2018 highlights the Action Plan as a state initiative, however rather than simply listing the Action Plan as an informative state initiative on page 1-1, the Action Plan should be identified as the overarching water policy that has laid the foundation for tackling water management decision-making at the state level in a comprehensive way. On page 1-1, the Action Plan section should be included in the overall introduction and the paragraph should be bolstered to showcase the significance of the Action Plan, how it helped organize general obligation bond funding for investment in each Action Plan goal. The following other state initiatives or investments listed in Update 2018 should then be listed beneath the Action Plan. Additional language should be inserted on page 1-1 regarding the parallels of the proposed actions in Update 2018 achieving the intended outcomes of the Action Plan:

“...actions recommended in Update 2018 would significantly contribute to achieving all ten actions and all three primary goals of the California Water Action Plan [...] Below are some of the milestone initiatives and investments over the last five years that have made significant accomplishments aligned with the Action Plan.”

A diagram similar to the one included on page 5 in the California Water Plan Update 2013 Highlight document showcasing the relationship between the Action Plan and the Water Plan should be inserted into the Update 2018 document. The six general goals identified in Update 2018 could be on the far left column, after being prioritized, and then each recommendation action could fall under the Action Plan categories listed at the top of the table. This visual representation would provide a clear connection of Update 2018’s goals as they relate to the common goals of the Action Plan.

Emphasize Importance of Local and Regional Role in Achieving Statewide Water Management Success

Update 2018 should emphasize the importance of local and regional roles and the relationship between the state and locals in achieving statewide water management success. In the Executive Summary on page ES -1, the first paragraph should specify that the emphasis of this report includes recommendations and funding scenarios for state investment, which would be divided 15% state and 85% local assistance. On page 2-1 in the first paragraph, the sentence should be re-worded to read:

“California has realized many successes in water resource management over the past several decades, driven by both local and regional actions and State-level policy initiatives and programs.”
Generally, throughout Update 2018, a concentrated effort to identify existing local or regional practices is preferred. This reinforces existing programs and activities that are already successful in contributing to statewide successes, including Integrated Regional Water Management (IRWM), Sustainable Groundwater Management Act (SGMA) planning, water conservation planning efforts, and diversification in local water supply through recycled water and desalination.

One example of where existing programs can be identified is on page 1-3 under the Proposition 1 section, where Update 2018 should discuss the support for IRWM, SGMA, and desalination programs. Reinforcing these existing programs is important for local entities who have invested significant resources in the planning, development, and management to ensure these programs reach successful outcomes. Another example would be to make revisions on page 2-4 under the Systematic and Institutional Challenges Section to the first two sentences to read:

“Sustainable water resource management requires a shared intent and alignment at the watershed scale through a collaborative forum, such as a groundwater sustainability agency (GSA) or RWMG under IRWM. For example, IRWM sets forth a voluntary governance to holistically and sustainably manage water resources.”

On page 3-1, the second paragraph should read, “The State and local agencies play a unique role in water management[...]” The following paragraph should include references to IRWM, SGMA, and local water management expertise including water conservation, agricultural water use efficiency, recycled water and desalination efforts. In Action 2.1, inclusion of GSAs and local entities working on SGMA should be included in “[...] opportunities to expand surface and groundwater storage capacity in the state.”

ACWA appreciates the discussion of the IRWM Program on page 4-2. Update 2018 cites RWMGs (local entities) as well-positioned to interact with the State for future planning and funding decisions. This should be emphasized and reiterated throughout the document where local entities are referenced including pages 1-3 (third paragraph), 1-8 (second paragraph), 2-1 (first paragraph), and 3-1 (third paragraph). Further, it should be clearly articulated that local water agencies, including RWMGs stakeholders, should be involved moving forward with further development of and refinement of statewide tools, including the Regional Atlas information and Sustainability Outlook indicators and methodology.

ACWA supports the recommended Action 1.1 of providing on-going support to help the long-term stability of IRWM RWMGs. In the integrated nature of IRWM, ACWA suggests Action 1.1 on page 3-1 be renamed to “Continue to Support Ongoing Water Management Activities by Integrating Efforts to Address Water Management Needs of California’s Vulnerable Communities”. This recommendation should be revised to make a connection between the non-vulnerable and vulnerable communities. Additional language should be added to describe a collaborative approach between the state and regional groups including IRWM regions, GSAs and local entities who are willing to support vulnerable communities by working together to address regional water management issues. In the last sentence of Action 1.1, rather than DWR preparing recommendations, DWR should work collaboratively with local and regional stakeholders, including the IRWM Roundtable of Regions, to prioritize the recommendations in the “Stakeholder Perspectives: Recommendations for Sustaining and Strengthening Integrated Regional Water Management” document. If specific recommendations are not included in the
Stakeholder Perspective document, additional recommendations could be developed through an interactive stakeholder process. This would continue to incentive and support integrated planning and partnerships between the state and local and regional entities.

Similarly, on page 3-3 under Action 4.2, there should be a reference to the roles that IRWM regions are already pursuing as liaisons related to the engagement and involvement of disadvantaged communities (DAC) and Tribes in regional water management planning efforts through the Proposition 1 DAC Involvement Program. This should be clearly articulated in the recommendation. Additionally, rather than simply listing that additional regulatory alignment challenges be addressed under Action 5.3 on page 3-3, DWR should “[…]identify and prioritize relevant watershed management regulatory alignment recommendations in the Stakeholder Perspectives document in collaboration with local and regional stakeholders.” Finally, on page 3-4 under Action 6.5, rather than stating to “Bolster Reporting Requirements for State Financial Assistance” the term bolster should be replaced with analyze. The state already has processes for tracking intended outcomes for state financial assistance, from anticipated benefits in project applications to the final completion reports and annual performance reports. Action 6.5 should utilize and analyze existing reporting requirements under current state-funded programs, such as the reporting requirements under the IRWM Program. The State should then standardize the reporting requirements on all financial assistance programs to improve general performance tracking (Action 6.3) of state financial assistance.

Factual Accuracy:

Correct References Related to Proactive Water Management

ACWA and CMUA member agencies operate and manage water systems in compliance with state and federal drinking water standards. As outlined in the State Water Resources Control Board’s Annual Compliance Report, published in July 2018, 93.8% of public water systems serving 98.4% of Californians are compliant with maximum contaminant level (MCL) standards. Based on relevant, available data and the mission of local water agencies to provide safe drinking water, ACWA would suggest the following change:

On page ES-1 (third paragraph), “Most communities that are proactively planning and investing in water management strategies have shown resilience. At the same time, some communities remain vulnerable […].“ Update 2018 should include information about the necessary technical, managerial and financial capacity required to manage water resources, which local water agencies provide through testing and monitoring water quality as well as capital improvement and drought planning.

On page 2-2 (first bullet), “During the recent drought, some vulnerable communities were unable to provide reliable and safe water to their resident […] and others lack access to affordable and reliable water supplies.”
Confirm Consistency of Sustainability Outlook Indicators with Established and/or Pending State Goals

ACWA and CMUA believe that the Sustainability Outlook indicators are, in many cases, inconsistent and therefore factually inaccurate, based on established or pending state goals. For example, the target indicator for “HE3 - Distribution System Leaks and Losses” as mentioned in the “Sustainability Outlook Indicators Description and Methodology” is zero. This target, and the methodology for assessing water loss at a watershed level, is inconsistent with the methodology to be set by the State Water Resources Control Board under Senate Bill 555 (2015). Furthermore, this is not a realistic target as no water system will ever have zero leak losses. ACWA and CMUA suggest Update 2018 use the most robust and accurate sources of data for such indicators. For example, the data used for the “HE3 - Distribution System Leaks and Losses” indicator description are from 2015 Urban Water Management Plans. However, this data set has not been validated and studies have shown that that over half of the dataset is unreliable. The Department of Water Resources has already collected two years of validated water loss audits for 2017 and 2018 and we recommend this data be utilized instead. Furthermore, comparisons of total water loss volume between regions is inappropriate and misleading. ACWA and CMUA support the comments provided by the Municipal Water District of Orange County on this subject. Other examples of inappropriate indicators are evident in this section and ACWA and CMUA recommend the Sustainability Outlook indicators undergo further analysis in stakeholder workshops for public input and review.

Develop a Glossary for the Water Plan to Clarify Specific Terminology

Update 2018 should be a document that communicates information in general terms. The following terms are utilized in the Water Plan and should be defined in a Glossary at the start of the document, rather than included in any supporting documentation:

- Regions
- Hydrologic regions
- Ecoregions
- Watershed
- Integrated watershed management
- Integrated regional water management
- Resiliency
- Liaison
- Vulnerable communities
- Legacy impacts
- Water community
- Sustainability
- Water reuse
- Recycled water
- Working landscape
- Federated water platform
- Critical challenges
- Systematic and institutional challenges

Organization of Information:

Provide a Clear Snapshot of Funding Needs and Funding Scenarios in the Executive Summary

To provide a clear perspective of overall investment, the Executive Summary should include the specific state funding amount and summarized funding scenarios suggested by the Water Plan for the next 50 years. Further, the Executive Summary should include the six goal and investment estimates for the first five years from Table 4-1. Lastly, the Executive Summary should also include the local and federal funding contributions projected over the next 50 years.
in addition to the state funding amount. On page 4-2, Update 2018 suggests that over the next 50 years the total state, local and federal funding needed for water management actions is $350 billion and the state portion of that amount is approximately $90 billion. Significant investments come from local and federal funding and it is helpful to have that overall perspective when discussing future funding needs.

In addition, given the significant percentage of funding coming from local agencies and Update 2018’s assumption that this will continue, it would be helpful in providing a full picture of funding challenges to recognize that there is significant upward pressure on local water rates due to expanded and new state requirements on water suppliers. Money spent for these new requirements impacts affordability and may impact how much additional funding local agencies can put toward infrastructure investments. Update 2018 should recognize that state requirements should better balance the burden on local agencies to ensure the largest funding source for water infrastructure remains strong and that local investments continue.

Also, Update 2018 should better distinguish the different funding needs between flood and water supply and management so that the relative funding needs in their distinct infrastructure areas is better understood.

**Shift Tone and Messaging of Chapter 2: Chapters to Sustainability**

Currently, Chapter 2 in Update 2018 is titled “Challenges to Sustainability”. ACWA and CMUA suggest a re-organization of this chapter’s message to be termed “Steps towards Sustainability”. This more closely matches the steps or general goals of reliability, restoration and resilience in the Action Plan. The headers of Chapter 2 could then be revised, such as “Overcoming Critical Challenges” and “Solutions for Systematic and Institutional Challenges”. Each bullet should be revised to suggest a *resolve* to the challenges, as steps toward a more sustainable future. This re-organization would help paint a picture of what needs to be done when facing the challenge. This would then lead into Chapter 3 and the Recommended Actions.

**Completeness of Information:**

**Clarify Confusing Information when outlining Sustainability**

There are several other terms that are confusing when discussing sustainability and we suggest these terms be clarified further in-text, and if not, removed, and that citations for conclusory statements stating a factual basis for the statement be added. On page 2-1, the following sentence should be re-worded due to lack of clarity of its meaning, “*Many challenges that regions and communities face are particularly vexing and increasingly undermine the well-being of Californians. Although local, regional, and State water managers tackle the following challenges daily, they experience varying degrees of success.*” In particular, the words *vexing* and *varying degrees of success* are not clear in their usage. Further on page 2-1, the following sentence should be clarified, “*Seasonal, year-to-year, and geographical variability among water sources and locations of water uses, particularly affecting disadvantaged communities, is also a complicating factor.*” On page 2-4, clarify under the Unstable Regional Economies Section that “*As water supplies have become less reliable, local and regional economies are more volatile, especially in agricultural and rural communities.*” The term *volatile* is unclear in meaning and a
better description would be that “local and regional economies have had to adapt and diversify their water supplies”. Lastly, on page 3-2, Goal 3 should be clarified as to what “biodiversity hotspots” is intended to mean.

Recognize Local Contributions for Specific Recommendations

There are several recommendations included in Chapter 3 that do not include an identified audience for specific recommended actions. On page 3-2, Action 2.1 and 3.2 suggest the need to identify and evaluate opportunities to expand surface and groundwater storage capacity in the state and pursue large-scale multiple-benefit projects. Many local agencies are already pursuing multiple-benefit projects and identifying surface and groundwater storage capacity opportunities. The State should work with local agencies including GSAs under SGMA and RWMGs under IRWM that are already identifying and pursuing such projects and to further incentivize surface and groundwater storage capacity opportunities and multi-benefit projects. Further, under Action 3.3 on page 3-2, water agencies should be included in the list of entities to quantify the societal and economic values of natural capital and functional ecosystems.

Clarify Un-addressed Items in the Water Plan

The Sustainability Outlook and the IRWM Atlas are both tools identified in the Update 2018. As described, both tools should include more information as to their importance and relevance to the next draft of the California Water Plan for 2023. The state could share their goals of using such tools and what the anticipated stakeholder process will be to engage local and regional entities in the development, evaluation, and refinement of these tools before they are finalized. Further, when discussing performance tracking, there should be additional information for how the IRWM Atlas and Sustainability Outlook integrate with the AB 1755 data platform.

The novel funding mechanisms discussed starting on page 4-6 are not referenced in the funding scenarios. Therefore, Table 4-4 should be moved to an appendix or supporting document for future evaluation and consideration.

The state has shared some information related to the “Supporting Documents” on the state webpage, however nine of the fourteen supporting documents are not available during the public comment period for review by stakeholders. For these reasons, ACWA and CMUA recommend that the supporting documents be considered “Supplemental Documents” that could be further refined and vetted by interested stakeholders and DWR staff as they become available, rather than through the Update 2018 public review process.

Another un-addressed question is how these recommendations towards achieving sustainability as the primary focus in Update 2018 will be tracked for progress once the final Plan is released. The state should track the performance and success in achieving the recommendations from Update 2018 and include a section in the Plan that discusses there will need to be continued efforts, discussion with interested stakeholders, and further evaluation of the tools, such as the Sustainability Outlook and Regional Atlas, which are being suggested for use in future Water Plan processes.
ACWA and CMUA appreciate the opportunity to offer the above comments. Our organizations will continue to engage collaboratively in future California Water Plan processes with the state and with other federal, regional and local governments and other stakeholders.

We are available to discuss these comments at daveb@acwa.com and jyoung@cmua.org.

Sincerely,

David Bolland      Jonathan Young
Director of State Regulatory Relations   Regulatory Advocate
Association of California Water Agencies   California Municipal Utilities Association

cc: Ms. Karla Nemeth, Director, California Department of Water Resources
    Mr. Kamyar Guivetchi, Division Chief, Statewide Integrated Water Management
    Mr. Lewis Moeller, Supervising Water Resources Engineer